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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/078,971	02/19/2002	James O. Schreckengast	10014432-1	7508

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HEWLETT-PACKARD COMPANY
Intellectual Property Administration
P.O. Box 272400
Fort Collins, CO 80527-2400

EXAMINER

HOLMES, MICHAEL B

ART UNIT PAPER NUMBER

2121

DATE MAILED: 08/22/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	10/078,971	SCHRECKENGAST ET AL.	
	Examiner	Art Unit	
	Michael B. Holmes	2121	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE (3) MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 14 April 2006.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-25 is/are pending in the application.
- 4a) Of the above claim(s) 1-16 is/are withdrawn from consideration.
- 5) ☒ Claim(s) 21-23 and 25 is/are allowed.
- 6) ☒ Claim(s) 17-20 & 24 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| Paper No(s)/Mail Date <u>04142006</u> | 6) <input type="checkbox"/> Other: _____ |



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Examiner's Detailed Office Action

1. Claims 1-16 have been cancelled.

Claim Rejections - 35 USC § 101

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. The invention as disclosed in claims 17-20 & 24 are rejected under 35 U.S.C. 101 as being non-statutory subject matter.

4. Specifically, the method of claim 17 identifying a stock, identifying causes, identifying subcauses, identifying diagnosis, matching diagnosis, estimating probabilities, and estimating cost are acts that can simply be conveyed intellectually. This implies that the method of claim 17 does not appear to possess any active steps needing to take place beyond thinking about the process without actually applying the process to a real-world practical application. Thus, claims 17-20 appears to be directed to an abstract idea rather than a practical application of an abstract idea which would produce a "useful, concrete or tangible results."

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5. The system of claim 24 possess the same problem of claim 17 with one additional element i.e., the claim constitutes software a module devoid of any apparent hardware, and therefore are computer programs e.g., functional descriptive material. Moreover, since the computer programs are not embodied on an appropriate computer-readable storage medium. They cannot be afforded patent eligibility.

6. Furthermore, the claimed invention as a whole must accomplish a practical application i.e., it must produce a “useful, concrete and tangible result.” As per claims 17-20 & 24, of which, is silent regarding a practical application, and thus, is insufficient to establish a real world “tangible” result. Devoid of such it qualifies applicant’s claimed invention as an abstract idea e.g., a computational model or a mathematical manipulation of a function or equation, or whatever, as such, a process that merely manipulates an abstract idea or performs a purely mathematical algorithm is non-statutory despite the fact that it might inherently have some usefulness. In *re Sarkar*, 588 F.2d at 1335, 200 USPQ at 139, the court explained why this approach must be followed:

No mathematical equation can be used, as a practical matter, without establishing and substituting values for the variables expressed therein. Substitution of values dictated by the formula has thus been viewed as a form of mathematical step. If the steps of gathering and substituting values were alone sufficient, every mathematical equation, formula, or algorithm having any practical use would be per se subject to patenting as a “process” under 101. Consideration of whether the substitution of specific values is enough to convert the disembodied ideas present in the formula into an embodiment of those ideas, or into an application of the formula, is foreclosed by the current state of the law.

7. A claim is limited to a practical application when the method or system, as claimed, produces a concrete, tangible and useful result; i.e., the method recites a step or act of producing something that is concrete, tangible and useful. *See AT &T*, 172 F.3d at 1358, 50 USPQ2d at

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1452. *See* MPEP § 2106(IV) Applicant is advised to make the appropriate corrections in an attempt to gain patentability. The claimed invention as a whole must accomplish a practical application. That is, it must produce a “useful, concrete and tangible result.” *State Street*, 149 F.3d at 1373, 47 USPQ2d at 1601-02. Remember, the claims define the property rights provided by a patent, and thus require careful scrutiny. Therefore, it is not enough to set forth invention in the specification. Finally, the claims must also reflect the scope and breath of applicant’s invention. *In re Morris*, 127 F.3d 1048, 1054-55, 44 USPQ2d 1023, 1027-28 (Fed. Cir. 1997). Limitations appearing in the specification but not recited in the claim are not read into the claim. *In re Prater*, 415 F.2d 1393, 1404-05, 162 USPQ 541, 550-551(CCPA 1969).

Allowable Subject Matter

8. Claims 21-23 & 25 are allowed.

Correspondence Information

9. Any inquires concerning this communication or earlier communications from the examiner should be directed to Michael B. Holmes, who may be reached Monday through Friday, between 8:00 a.m. and 5:00 p.m. EST. or via telephone at (571) 272-3686 or facsimile transmission (571) 273-3686 or email Michael.holmesb@uspto.gov.

If you need to send an Official facsimile transmission, please send it to (703) 273-8300.

If attempts to reach the examiner are unsuccessful the Examiner’s Supervisor, Anthony Knight, may be reached at (571) 272-3687.

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Hand-delivered responses should be delivered to the Receptionist @ (Customer Service Window Randolph Building 401 Dulany Street Alexandria, VA 22313), located on the first floor of the south side of the Randolph Building.

Michael B. Holmes

Patent Examiner

Artificial Intelligence

Art Unit 2121

United States Department of Commerce

Patent & Trademark Office

Saturday, August 12, 2006

MBH

A handwritten signature in black ink, appearing to read "Michael B. Holmes", with a stylized, cursive script.